RECEIVED

MOV:3 0 1993

Before the FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY Washington, D.C. 20554

In the Matter of)					
Implementation of Section of the Communications Act Competitive Bidding	309(j)))	PP Docket No. 93-253				
AT&T'S REPLY							

Francine J. Berry R. Steven Davis Richard H. Rubin

295 North Maple Avenue Basking Ridge, New Jersey 07920

Attorneys for American Telephone and Telegraph Company

No. of Copies rec'd_______List ABCDE

Dated: November 30, 1993

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	i
INTRODU	CTION 1
ARGUMEN	T 3
I.	THE COMMISSION'S PROPOSED PCS COMBINATORIAL BIDDING SCHEME SHOULD BE REJECTED
II.	OPEN SIMULTANEOUS BIDDING WILL BEST ACHIEVE THE STATUTORY OBJECTIVES
III.	INTERMEDIATE LINKS SHOULD NOT BE SUBJECT TO AUCTION
CONCLUS	ION 19

SUMMARY

The Commission's NPRM drew an enormous number of comments from interested parties. Many commenters commend the Commission for its preparatory work and endorse the basic framework laid out for auctions in the NPRM. In addition, a number of commenters, including AT&T, offer modifications to the NPRM's proposals which they believe will improve the auction process and better achieve Congress' objectives in the Budget Act.

Like AT&T, many commenters show that the NPRM's nationwide combinatorial proposal for PCS is inconsistent with Congress' and the Commission's objectives for competitive bidding and unnecessary to permit a reasonable aggregation of licenses. Several commenters, however, demonstrate the value of a simultaneous auction system that could substantially eliminate systemic bias and permit efficient aggregation of licenses. AT&T supports the use of simultaneous bidding, particularly for PCS MTA licenses, under the following guidelines:

- Bidding should be conducted in as open a manner as possible;
- 2. All MTA licenses (and potentially all nonset-aside broadband PCS licenses) should be auctioned simultaneously as separate items;
- 3. Bidders should be permitted to submit an unlimited number of iterative bids;
- 4. Minimum bid increments should be established;

- 5. All qualified bidders, including cellular carriers, should be permitted to bid on any individual license or group of licenses, subject to a prompt divestiture requirement; and
- 6. Bidding should remain open on each separate license until there has been no new qualifying bid for five consecutive business days.

The commenters almost unanimously oppose the NPRM's proposal to use competitive bidding for "intermediate links," particularly point-to-point microwave services. Competitive bidding for such services will not serve the public interest and should not be required.

With respect to the other issues raised by the NPRM, the Commission should be guided by its objectives to develop a process that will promote certainty, fairness and the wide dissemination of information, that will minimize opportunities for procedural gamesmanship, and that will avoid unnecessary work.

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

RECEIVED

MOV 3 0 1993

Fl	EDERAL COMMUNICATIONS COMMISSIC OFFICE OF THE SECRETARY	Æ\

In the Matter of ()

Implementation of Section 309(j) ()

of the Communications Act ()

Competitive Bidding ()

PP Docket No. 93-253

AT&T'S REPLY

Pursuant to the Commission's Notice of Proposed Rulemaking released October 12, 1993 ("NPRM"), American Telephone and Telegraph Company ("AT&T") hereby replies to the November 10, 1993 comments on the Commission's proposals for the implementation of competitive bidding for spectrum licenses pursuant to Section 309(j) of the Communications Act.

INTRODUCTION

Over 180 parties submitted comments on the Commission's tentative proposals regarding spectrum auctions.¹ A great number of the commenters applauded the Commission's preparatory work and, in general, agreed with the basic framework set forth in the NPRM. Many parties, including AT&T, also suggested modifications to the NPRM's proposed rules which they believed would facilitate the

A list of the commenters and the abbreviations used to refer to each is appended as Attachment A.

auction process and better achieve Congress' substantive goals for competitive bidding.

The NPRM (¶ 176) pointed out that spectrum auctions embark the Commission and the industry into "uncharted territory." Moreover, the statute requires the Commission to begin PCS auctions promptly. If the new auction system is to be successful, it is critical that the Commission be guided by its goal (¶ 18) to develop a process that is simple, efficient and easy to administer. The Commission should therefore strive to create procedures that will promote certainty, fairness, and the wide dissemination of information. The regulatory system should also minimize the opportunities for procedural gamesmanship and eliminate unnecessary work for the Commission and others.²

AT&T's Reply below focuses upon those issues which it believes could have the greatest impact upon achievement of Congress' and the Commission's goals. First, most commenters concur with AT&T that the NPRM's proposal for

In furtherance of these goals, several commenters suggest that long form applications should not be required from any party except the winning bidder. See, e.g., BellSouth, p. 36; CTIA, p. 28; GCI, pp. 13-14. AT&T supports this proposal. AT&T also agrees with the commenters who suggest that detailed engineering information should not be required on the PCS auction winners' long form applications, because the definition of PCS services (and therefore their technical parameters) are not yet known. See BellSouth, p. 39; PTC, p. 7.

nationwide PCS combinatorial bidding will not serve the public interest, because it fails to meet many of the statutory objectives, is unnecessary, and is unduly complex. Second, several commenters propose bidding systems that would enable PCS broadband licenses to be auctioned simultaneously. AT&T urges the Commission to adopt such an option, particularly for the PCS MTA licenses. Third, the commenters are virtually unanimous in opposing the NPRM's tentative conclusion that licenses for spectrum used as "intermediate links" should be subject to auction.

ARGUMENT

I. THE COMMISSION'S PROPOSED PCS COMBINATORIAL BIDDING SCHEME SHOULD BE REJECTED.

AT&T's Comments (pp. 4-8) showed that the NPRM's nationwide PCS bidding proposal is inconsistent with the statutory objectives of diversity and competition; rapid development and deployment of services, especially in rural areas; enhancing the public revenues to be derived form competitive bidding; and encouraging intensive use of spectrum. AT&T further showed that the NPRM's proposal is unnecessary and is inconsistent with the Commission's goal of administrative simplicity. A majority of the commenters

discussing combinatorial bidding also show why this proposal should not be adopted.³

Several commenters⁴ note that the NPRM's proposal is little more than a "back door" national licensing of PCS, which the Commission expressly rejected in its spectrum allocation order.⁵ Telocator (p. 6) agrees with this assessment, and describes the nationwide PCS combinatorial bidding proposal as "fundamentally unfair and irrational."⁶ Moreover, as Telocator correctly states (<u>id.</u>), the nationwide bidding proposal would restrict entry opportunities and lessen competition in technical configurations.⁷

(footnote continued on following page)

Some commenters, e.g., Ameritech (pp. 4-5), NTIA (p. 10), Nextel, (p. 10), propose that bidders should be able to design their own combinatorial bids. This proposal is unworkable and should be rejected because it would introduce enormous complexities into the bidding process. See, BellSouth, p. 10; CTIA, pp. 13-14; Sprint, pp. 5-6. Moreover, as MCI (p. 7) notes, it would also increase the likelihood of disputes in comparing and defining the group bids against the bids on individual licenses. A similar result could be achieved, however, if the Commission adopted a simultaneous bidding procedure. See Section II below.

⁴ E.g., GTE, p. 7; McCaw, p. 12.

See Amendment of the Commission's Rules to Establish
Personal Communications Services, Second Report and Order
("Second Report and Order"), GEN Docket No. 90-314,
released October 22, 1993, ¶¶ 69, 73.

⁶ Telocator, p. 5. <u>See also Paging Network</u>, pp. 18-22.

See also GTE, p. 8 (licensing of only two nationwide PCS providers would be inconsistent with the Commission's

As AT&T (pp. 5-7) showed, the proposed combinatorial bidding could also delay service introduction in rural areas. Commenters representing smaller PCS interests express this precise concern. The Rural Cellular Association (p. 9) argues that such bidding will favor "deep pockets" bidders and contradict the statutory goal of disseminating licenses among a wide variety of applicants. American Personal Communications (p. 4) adds that nationwide bids "could even lead to the exclusion of many of the broadvision PCS proponents who have led the PCS industry."

Similarly, Pacific Bell (pp. 5-9) notes that the NPRM proposal is systematically biased in favor of combinatorial bidders and could have a "chilling effect" on the bidding for individual MTA and BTA licenses.

In addition, Comcast (pp. 5-6) points out that the proposal will significantly complicate the bidding

⁽footnote continued from previous page)

desire for a greater diversity and degree of technical and service innovation); BellSouth, pp. 10-11.

See Breen, pp. 1-3; Calcel, p. 16; Dial Page, p. 2; RTC, p. 9; Small Telcos of Louisiana, pp. 17-20; U.S. Intelco, pp. 10-11. See also BellSouth, pp. 6-8; Comcast, pp. 5-6; GTE, p. 7; Southwestern Bell, pp. 23-24; Sprint, pp. 4-5; AT&T, p. 6. Reduction in competitive bidding for licenses could also decrease the market value of the spectrum. (Id.)

⁹ See also PacTel, p. 2.

process.¹⁰ Comcast (<u>id.</u>) also concurs that the issuance of a nationwide combinatorial license would not necessarily guarantee the provision of nationwide service, noting that combinatorial bidders could find themselves financially over-extended or simply focus all of their efforts upon larger markets.¹¹ BellSouth adds (pp. 9-10) that such bidding may not result in licenses being awarded to the entities who value them most. BellSouth (pp. 8-9) also concurs with AT&T (p. 12) that combinatorial bidding is unnecessary, because bidders can demonstrate the interdependence of license values through bidding on individual licenses.¹² This would be especially true if the Commission adopted simultaneous bidding, as discussed in Section II below.

The commenters who favor the NPRM's combinatorial proposal ignore the statutory objectives described above,

AT&T, pp. 7-8. <u>See also BellSouth</u>, fn. 12 (NPRM's proposal will introduce uncertainty); McCaw, p. 11.

AT&T, pp. 5-6. See also GTE, p. 8 ("[R]ural areas would be the last priority and last to receive service."). Indeed, Comcast (p. 7) also suggests such bidders might even be willing to forfeit some of the smaller market licenses by failing to meet the Commission's build-out requirements. As a result, Comcast believes (p. 8) that the Commission will need to develop appropriate sanctions for entities that do not meet those requirements, including the possibility of forfeiture of all of the licenses in the group. See also AT&T, fn. 3.

¹² See also Southwestern Bell, p. 24.

especially the concern for diversity. MCI (p. 8) even suggests that the Commission should entertain combinatorial bids on three 30 MHz blocks of spectrum, including an aggregate bid for all of the BTA licenses in Blocks E, F and G. Such bidding potentially excludes all but the very largest businesses from obtaining licenses in the entire PCS spectrum (except for the set-aside frequencies) and could virtually eliminate the possibility of diversity in PCS services, technologies and licensees.¹³

exclude cellular providers from bidding on one entire band of 30 MHz licenses, even in areas where they are not currently licensed. MCI asserts (<u>id.</u>) that its proposal will promote the statutory objectives of increasing competition and avoiding concentration of licenses. MCI's proposal is baseless and patently self-serving, and it should be rejected. The Commission has already established significant restrictions upon cellular carriers' ability to obtain PCS spectrum licenses in areas where there is currently an overlap. MCI's proposal would severely limit PCS competition from cellular carriers, even in areas where they have no significant presence and no market power, thus

Even CTIA (p. 15), which favors the NPRM's proposal, opposes the use of combinatorial bidding across spectrum blocks because of the added complexity it would create.

depriving consumers of the benefits of competition from the most experienced wireless carriers, 14 who could offer substantial competition against both new and existing services.

NTIA (pp. 14-22) and NYNEX (pp. 13-16) propose simultaneous bidding procedures, including combinatorial bidding overlays. Even though the simultaneous bidding procedures have promise, combinatorial overlays are unnecessary in the context of a simultaneous auction.

Bidders will be able to bid on every license they want and can express all of their value interdependencies in their bids on individual licenses. Moreover, combinatorial overlays would add needless complexity to the process, as parties attempt to balance individual bids against multiple combination bids. 15

MCI's fanciful concern (p. 7) about the possibility of joint action among all major cellular carriers to thwart PCS competition is irrational and unsupported. Given the number of such carriers, their divergent individual strategies, and the amount of coordination and money a conspiracy would take, there is no reason to believe that these carriers would ever contemplate such an action. Moreover, each has too much invested in its cellular operations to risk the sanctions it might face if it were found guilty of participating in such a conspiracy.

In addition, such overlays do not appear to have been sufficiently tested in auctions of this scale. Given the time urgency imposed by the statute, the Commission should not allow the broadband PCS spectrum auction to be the testing ground for a complex theoretical, but as yet untried, bidding technique.

NYNEX (p. 14) also proposes that combinatorial bidders should be permitted to place a bid that is equal to the sum of all bids on the individual licenses in the frequency block plus a stated percentage, subject to a spending cap. This type of bidding will not only complicate the auction, it is also strongly biased in favor of national licenses. Such licenses, in turn, elevate the objective of efficient aggregation of licenses above the objectives of diversity and local or regional competition. The statute¹⁶ and the Commission, 17 however, expressly acknowledge the importance of diversity and competition. Moreover, NYNEX and other bidders will have ample opportunity to aggregate spectrum by bidding on individual licenses. Therefore, any bias in the Commission's rules should favor, rather, than hinder, bidders' opportunity to acquire individual licenses. 18

II. OPEN SIMULTANEOUS BIDDING WILL BEST ACHIEVE THE STATUTORY OBJECTIVES.

AT&T (pp. 14-15) recommended that the Commission consider experimenting with some forms of simultaneous bidding. Several commenters have presented auction

¹⁶ Section 309(j)(3)(B).

See Second Report and Order, ¶ 73.

¹⁸ See Pacific, pp. 5-9.

proposals indicating that a simultaneous auction could reasonably be conducted for broadband PCS licenses. 19

These proposals are all based upon similar themes. They suggest that systematic bias can best be avoided by an auction process that allows bidders (i) the ability to maximize the amount of information available at the time of bidding and (ii) the opportunity to bid simultaneously and iteratively on one or more individual licenses. These commenters demonstrate that a bidding system based upon these principles will lead to a rational allocation of resources and market-driven groupings of licenses. It will also eliminate the problems inherent in sequential auctions.²⁰ AT&T strongly believes that these advantages are worth pursuing, especially for the auction of MTA licenses.

Establishment of a simultaneous auction system might take a modest amount of additional time, testing and planning, but the advantages of a properly designed system would substantially outweigh the costs.²¹ Moreover, even

(footnote continued on following page)

See NTIA, pp. 14-22; NYNEX, pp. 13-16; Pacific, pp. 11-14; PacTel, pp. 1-2, 4.

All sequences carry inherent difficulties and biases.

<u>See Pacific</u>, Attachment, pp. 17-18; NYNEX, Ex. 1,

pp. 15-18; PacTel, Exhibit, p. 8; NTIA, p. 11.

Pacific (Attachment, p. 6) stresses the need for testing the bidding process prior to the actual auction. See also NTIA, p. 19; PacTel, Exhibit, p. 25. The Commission could still meet its obligation to begin PCS auctions by

though a simultaneous auction may not begin as early as sequential auctions, the entire bidding process could conclude earlier if the Commission holds a single broadband PCS auction, or a series of only a few auctions.²²

AT&T does not propose that the Commission adopt any one of the commenters' specific proposals, but suggests that the Commission design a simultaneous bidding process for MTA licenses that meets the following criteria: 23

manner as possible. The commenters generally support the use of a process that provides participants the maximum amount of information.²⁴ AT&T suggests that all bids should be made public. At a minimum, at least the top two current bidders for any license should be revealed, together with the amount of each bid.²⁵

⁽footnote continued from previous page)

May, 1994 by holding auctions for narrowband PCS licenses first. See AT&T, pp. 10-11.

²² See PacTel, Exhibit, p. 9.

A similar process could be developed for the BTA licenses, or, alternatively, both the MTA and BTA licenses could be made available at the same time in a single auction.

E.g., AT&T, pp. 11-12; BellSouth, p. 4; GTE, p. 5; NABOB, pp. 6-7; NTIA, p. 13.

²⁵ See Pacific, Attachment, p. 21.

- 2. All MTA licenses should be auctioned simultaneously as separate items. Each 30 MHz MTA license is unique, because incumbents' use of spectrum in Block A may be substantially different from incumbents' use in Block B. As a result, the usable spectrum in these blocks may vary, as may the costs of moving incumbents to other frequencies. Therefore, the Block A and Block B licenses are not identical and may have significantly different economic values.²⁶ Therefore, each should be auctioned as a discrete item.²⁷ Both licenses, however, should be auctioned at the same time, so that all bidders will have access to all of the same information as they bid on the major PCS licenses.
- 3. <u>Bidders should be permitted to submit an</u>
 <u>unlimited number of iterative bids</u>. All of the commenters'
 simultaneous bidding proposals stressed the importance of

See NTIA, p. 7; Bell Atlantic, Attachment A., p. 5.

Because the licenses are not homogeneous, Bell Atlantic's proposal (p. 5) to award the two 30 MHz licenses in each MTA to the two highest bidders in a single auction is not appropriate. Bell Atlantic is correct that the auctions for the two licenses are interdependent, but that interdependency is best established by allowing parties to bid separately on both 30 MHz licenses in an MTA, provided, of course, that they may only be awarded one such license. In the unlikely event that a bidder has placed the highest bid on both licenses, it should declare its preference before posting its deposit, and bidding should be reopened on the other license, beginning with the second highest bid.

iterative bidding.²⁸ Such bidding allows parties to respond to the actions of others and is necessary to assure that licenses can be obtained by the parties who are willing to pay the most. Iterative bidding also allows bidders to revise their strategies during the course of the auction, in light of others' bids and their own financial resources, technical capabilities and marketing strategies.

- 4. Minimum bid increments should be established. Each successive bid should be subject to a minimum bid increment over the currently posted high bid for the specific license. Such a requirement will assure that bidding progresses in an orderly manner and bidding will not be stalled by trivial increases. AT&T recommends that the minimum increase for MTA licenses should be \$100,000 or 2% over the previous high bid, whichever is higher. One of the stable of the s
- 5. All qualified bidders, including cellular carriers, should be permitted to bid on any individual licenses or groups of licenses, subject only to the limit

NTIA, p. 12; NYNEX, Exhibit 1, pp. 14-15; Pacific, p. iii; Pactel, Exhibit, p. 3.

^{29 &}lt;u>See</u> PacTel, Attachment, p. 16.

The 2% threshold is suggested because MTA licenses are likely to generate substantial bids. A lower dollar amount minimum increase and/or a higher percentage increase could be established for BTA licenses, in order to make them meaningful within the range of expected bids on such licenses. The exact amounts could be established in the Commission's Public Notice announcing the auction.

that a bidder may not exceed the Commission's maximum for PCS spectrum licensees in any MTA or BTA. This completely eliminates any need for separate combinatorial bidding, because parties can assure they will obtain all of the licenses they desire simply by bidding the highest amount for each license they want. It also facilitates parties' ability to aggregate licenses on a regional basis.³¹

In addition, AT&T supports the suggestion by Bell Atlantic (pp. 5-9), Ameritech (pp. 4-5) and others that all parties should be allowed to bid on 30 MHz licenses in any MTA, subject to strict divestiture requirements. This rule will increase potential competition for PCS licenses and the possibility of diversity among licensees.³² All successful bidders, however, should be required to comply promptly with the Commission's total frequency limits. In all cases,

³¹ See footnote 3 above.

The Commission should also reject Southwestern Bell's unsupported suggestion (pp. 28-29) that AT&T and/or McCaw should be subject to special handicaps in light of their proposed merger. Unlike the RBOCs, neither AT&T nor McCaw controls access to any bottleneck local exchange facilities. Moreover, all of AT&T's wireline services are subject to intense competition, effectively precluding AT&T from cross-subsidizing any wireless services, and McCaw's cellular market share has never exceeded five percent. Rules allowing all parties to bid on all licenses will increase competition in the bidding, provide significant information to the marketplace, and foster a market-based and economically rational apportionment of spectrum use.

compliance should be required within six months after the PCS license is issued. (See Ameritech, p. 2) Licensees who fail to comply with such limits by the fixed end date should be required to surrender their PCS license and forfeit their deposits. Considering the time that will be necessary to establish most PCS services, it is unlikely that divestitures within six months would significantly delay the use of any spectrum.

6. Bidding should remain open on each separate license until there has been no new qualifying bid for five consecutive business days. 33 NYNEX (Exhibit 1, p. 16) notes that the "stopping" rule is the most critical in a simultaneous auction. AT&T agrees. Indeed, this principle is so important that AT&T would not support any simultaneous bidding proposal that did not give bidders sufficient time to respond to others' bids. 34 Given the importance, scope and relative novelty of the PCS auction process, the

AT&T assumes that bidding would be permitted for approximately eight hours a day, five days per week until the bidding concludes. The bidding hours could be established to take account of the time differences for west coast participants (e.g., 10 or 11 a.m. until 6 or 7 p.m.).

See Pacific, Attachment, p. 26 ("allowance of ample time for reconsideration and reevaluation is an important ingredient"). AT&T therefore specifically opposes NTIA's proposal (p. 19) to apply an arbitrary cut-off date. Bidders in the PCS auction have too much at stake to face such uncertainty in the process.

Commission should make every effort to assure that bidders have the opportunity to make considered judgments.

Large amounts of money and important strategic considerations will be at stake in the PCS auctions. bidders will be making major investment decisions, while others may be making important changes in the size, scope and direction of their businesses. As a result, many bidders will need time to obtain internal authorizations to spend the necessary amounts, and others may need time to negotiate with lenders for additional funds. 35 Bidders will also need time to adjust their bidding and aggregation strategies as the bidding escalates. Moreover, aggressive bidding could also lead to the formation of bidding teams during the auction itself, as individual bidders seek financial support from others. All of these activities will promote economic rationality and efficiency, provide incentives for licensees to put their spectrum to use quickly, and lead to participation by more, rather than fewer, entities.

AT&T recommends that the simultaneous bidding process be conducted electronically, if the Commission can

The Commission's deposit and prompt payment requirements make it imperative that bidders have liquid funds immediately available. The Commission's build-out standards also require bidders to have longer term financing arrangements for facilities construction.

establish, test and ensure the security of the necessary systems in time for the auction. However, an auction of the 102 MTA licenses would also be quite feasible using telephonic or facsimile bids if the Commission adopted the stopping rule suggested above. 36 Assuming that a simultaneous bidding process is adopted, the Commission should modify its proposed qualification rules and require each bidder to submit only one short form application. The Commission should also establish a single, reasonable upfront payment requirement. 37 In such case, it would be more important to demand prompt payment of the non-refundable deposit. The auction for a specific license could be reopened if the deposit was not submitted timely, and an appropriate amount deducted from the defauting bidder's upfront payment. 38

^{36 &}lt;u>See</u> Pacific, p. 11.

Separate upfront payments could be set for MTA bidders, BTA bidders and designated entity bidders. Such funds should be provided in a manner that allows bidders to retain the interest. This would require the establishment of interest-bearing Commission bank accounts (see AT&T, fn. 40) or, alternatively, the use of deposit vehicles such as treasury bills (see Southwestern Bell, p. 38).

In order to submit any additional bids, the defaulting bidder should be required to replenish the amount deducted from the upfront payment. Any bidder defaulting more than once could be disqualified from any subsequent bidding.

III. INTERMEDIATE LINKS SHOULD NOT BE SUBJECT TO AUCTION.

The comments are virtually unanimous in opposition to the NPRM's tentative proposal (¶¶ 28-29) to require auctions for spectrum used in connection with "intermediate links."³⁹ The commenters point out that such links are more like private services because they are not directly used, and cannot be directly accessed, by customers, and thus fall outside the scope of Section 309(j)(2)(A).⁴⁰ Furthermore, point-to-point microwave service, which is most commonly used to provide such links, is subject to the Commission's frequency coordination requirements and rarely, if ever, will give rise to a mutually exclusive request for spectrum.⁴¹ In all events, auctions could encourage speculators to add costs and/or delays to the implementation of such services and could seek to use the process to extort uneconomic "greenmail."⁴² Adoption of the NPRM's proposal

See, e.g., AT&T, p. 23; Comcast, p. 14; AAR, p. 6; UTC, pp. 7-8; TDS, p. 4; TWT, pp. 6-9; Southwestern Bell, pp. 6-12; MCI, p. 22; Pacific, p. 19; BellSouth, pp. 45-46; McCaw, p. 3; Sprint, pp. 21-22; Alcatel, pp. 2-3; California Microwave, pp. 3-7.

^{40 &}lt;u>E.g.</u>, AT&T, p. 22; Southwestern, pp. 7-8; GTE, p. 3.

E.g., AT&T, pp. 21; BellSouth, p. 46. See also Hughes Communications, pp. 3-6, which, like AT&T, opposes the use of competitive bidding for Fixed Satellite Services.

^{42 &}lt;u>See</u>, <u>e.g.</u>, AT&T, pp. 21-22. <u>See</u> <u>also</u> CTIA, p. 31.

- 19-

thus will not serve any public interest and should be rejected.

CONCLUSION

For the reasons above and in AT&T's Comments, the Commission should develop auction procedures that are fair, clear, and administrable and that permit the most economically efficient mode of competitive bidding. Therefore, the Commission should not adopt nationwide combinatorial bidding but should instead institute a simultaneous bidding process, at least for PCS Blocks A and B. In addition, the Commission should not adopt the NPRM's proposal on intermediate links and should not place any special restrictions on AT&T or McCaw.

Respectfully submitted,

AMERICAN TELEPHONE & TELEGRAPH COMPANY

By

Steven Davis

Richard H. Rubin

Its Attorneys

Room 3244J1 295 Morth Maple Avenue Basking Ridge, NJ 07920

Dated: November 30, 1993

APPENDIX A

List of Commenters

Advanced MobileComm Technologies, Inc. and Digital Spread Spectrum Technologies, Inc. James Aidala Oye Ajayi-Obe Alcatel Network Systems, Inc.

AllCity Paging, Inc.

Alliance for Fairness and Viable Opportunity

Alliance of Rural Area Telephone and Cellular Service Providers

Alliance Telcom, Inc.

American Automobile Association, Inc.

American Mobile Telecommunications Association, Inc.

American Personal Communications ("APC")

American Petroleum Institute ("API")

American Telephone and Telegraph Company ("AT&T")

American Wireless Communication Corporation

American Women in Radio & Television, Inc.

Ameritech

AMSC Subsidiary Corporation

Anchorage Telephone Utility

Charles N. Andreae/Andreae & Associates, Inc.

John G. Andrikopoulos et al.

Arch Communications Group, Inc.

Association for Maximum Service Television and National Association of Broadcasters

Association of American Railroads

Association of America's Public Television Stations

The Association of Independent Designated Entities

Association of Public-Safety Communications Officials-International, Inc.

Baraff, Koerner, Olender, & Hochberg, P.C.

Bell Atlantic Personal Communications, Inc. ("Bell
Atlantic")

BellSouth Corporation, BellSouth Telecommunications, Inc., BellSouth Cellular Corp. and Mobile Communications Corporation of America ("BellSouth")

Jeffrey T. Bergner

Van R. Boyette

Quentin L. Breen

Dennis C. Brown and Robert H. Schwaninger

Cablevision Industries Corporation, Comcast Corporation, Cox Cable Communications, and Jones Intercable, Inc.

Calcell Wireless, Inc. ("Calcel")

California Microwave, Inc.

California Public Utilities Commission

CALL-HER Cellular Communications, Inc. Cellular Service, Inc. Cellular Settlement Groups Cellular Telecommunications Industry Association ("CTIA") Century Communications Corporation CFW Communications Company et al. The Chase McNulty Group, Inc. Chickasaw Telephone Company Citizens Utility Company The Coalition for Equity In Licensing Cole, Raywid & Braverman Wendy C. Coleman D/B/A WCC Cellular Comcast Corporation Comsat Corporation ComTech Associates, Inc. Converging Industries Cook Inlet Region, Inc. Corporate Technology Partners Council of 100 Cox Enterprises, Inc. Thomas Crema Data Link Communications Devsha Corporation Dial Page, Inc. Abby Dilley Diversified Cellular Communications Domestic Automation Company John Dudinsky Duncan, Weinberg, Miller & Pembroke, P.C. Economics and Technology, Inc. E.F. Johnson Company FiberSouth, Inc. First Cellular of Maryland, Inc. David F. Gencarelli General Communication, Inc. Geotek Industries, Inc. GTE GVNW Inc./Management Hughes Communications Galaxy, Inc. and Directv. Inc. ("Hughes Communications") Hughes Transportation Management Systems Independent Cellular Consultants Independent Cellular Network, Inc. Industrial Telecommunications Association, Inc. InterDigital Communications Corporation Iowa Network Services, Inc. IVHS America JAJ Cellular

Thomas J. Jasien